

Senate Education Committee Amendment

Amendment No. 3 to SB0611

Woodson
Signature of Sponsor

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 611*

House Bill No. 653

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 49-4-914(a), is amended by deleting the last sentence of the subsection and by substituting instead the following sentences:

Subject to the amounts appropriated by the general assembly, and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a Tennessee HOPE scholarship awarded to a student attending an eligible four-year postsecondary institution shall be four thousand dollars (\$4,000) for full-time attendance for the 2007-2008 academic year. For academic years subsequent to the 2007-2008 academic year, the amount of such scholarship shall be determined in accordance with § 4-51-111 and shall be set in the general appropriations act.

SECTION 2. Tennessee Code Annotated, Section 49-4-914(b), is amended by deleting the last sentence of the subsection and by substituting instead the following sentences:

Subject to the amounts appropriated by the general assembly, and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a Tennessee HOPE scholarship awarded to a student attending an eligible two-year postsecondary institution shall be two thousand dollars (\$2,000) for full-time attendance for the 2007-2008 academic year. For academic years subsequent to the 2007-2008 academic year, the amount of such scholarship shall be determined in accordance with § 4-51-111 and shall be set in the general appropriations act.

SECTION 3. Tennessee Code Annotated, Section 49-4-921, is amended by

deleting the last sentence of subsection (f) and substituting instead the following sentences:

Subject to the amounts appropriated by the general assembly, and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a Wilder-Naifeh technical skills grant awarded under this section shall be two thousand dollars (\$2,000) for full-time attendance for the 2007-2008 academic year. For academic years subsequent to the 2007-2008 academic year, the amount of such scholarship shall be determined in accordance with § 4-5-111, and shall be set in the general appropriations act.

SECTION 4. Tennessee Code Annotated, Section 49-4-906, is amended by deleting the section in its entirety and by substituting instead the following:

§49-4-906.

Except for the ASPIRE award under § 49-4-915, the Tennessee HOPE access grants under § 49-4-920 and the Tennessee HOPE scholarship for nontraditional students under §49-4-931, eligibility for scholarships or grants awarded under this part shall not be restricted or limited by the adjusted gross income attributable to a student. Students applying for the ASPIRE award under § 49-4-915, for a Tennessee HOPE access grant under § 49-4-920 or for a Tennessee HOPE scholarship for nontraditional students under §49-4-931 shall file a FAFSA with TSAC.

SECTION 5. Tennessee Code Annotated, Section 49-4-915(a)(2), is amended by deleting the language "thirty-six thousand dollars (\$36,000)" and substituting instead the language "forty-five thousand dollars (\$45,000)".

SECTION 6. Tennessee Code Annotated, Section 49-4-920, is amended by deleting the language "thirty-six thousand dollars (\$36,000)" wherever it appears and substituting instead the language "forty-five thousand dollars (\$45,000)".

SECTION 7. Tennessee Code Annotated, Section 49-4-931(a)(3), is amended by deleting the language "thirty-six thousand dollars (\$36,000)" and substituting instead the language "forty-five thousand dollars (\$45,000)".

SECTION 8. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§49-4-9__.

(a) To be eligible for a Tennessee scholar supplemental award, a student shall:

(1) Meet all nonacademic requirements for a Tennessee HOPE scholarship;

(2) Achieve a final overall weighted high school grade point average of at least 3.0;

(3) Attain a composite ACT score of at least 21 on any single ACT test date or a combined SAT score of at least 980 on any single SAT test date;

(4) Successfully complete all requirements of the Tennessee scholars program; and

(5) Apply for a Tennessee scholar supplemental award at the time such student applies for a Tennessee HOPE scholarship.

(b) A student, who receives a Tennessee scholar supplemental award as an entering freshman shall continue to be eligible for a Tennessee scholar supplemental award, if the student meets all requirements of § 49-4-911 for continuation of a Tennessee HOPE scholarship.

(c) If a student receiving a Tennessee scholars supplemental award ceases to be academically eligible for the Tennessee HOPE scholarship by failing to maintain the required cumulative grade point average at the end of any semester in which academic eligibility is

reviewed under § 49-4-911, then the student may regain the Tennessee HOPE scholarship award under § 49-4-911(c), but may not regain the Tennessee scholars supplemental award. If a student receiving a Tennessee scholars supplemental award ceases to be eligible for a Tennessee HOPE scholarship at any time for any reason other than failure to maintain the required cumulative grade point average, then the student shall not be able to regain either the Tennessee HOPE scholarship or the Tennessee scholar supplemental award.

(d) A student who meets the requirements for a Tennessee scholars supplemental award shall receive a Tennessee HOPE scholarship award under § 49-4-914 and a Tennessee scholar supplemental award. The Tennessee scholar supplemental award for full-time students shall be one thousand dollars (\$1,000) for the 2007-2008 academic year. For academic years subsequent to the 2007-2008 academic year, the amount of the Tennessee scholar supplemental award shall be determined in accordance with § 4-51-111 and shall be set in the general appropriations act. Both the Tennessee HOPE scholarship award and the Tennessee scholar supplemental award are subject to the amounts appropriated by the general assembly and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery.

SECTION 9. Tennessee Code Annotated, Section 49-4-917, is amended by deleting the section in its entirety and by substituting instead the following:

Students may receive only one (1) of the following awards:

(1) The ASPIRE award, under § 49-4-915;

(2) The supplemental award as a General Assembly Merit Scholar under 49-4-916; or

(3) The Tennessee scholar supplemental award under section 8 of this act.

SECTION 10. Tennessee Code Annotated, Section 49-9-937(b), is amended by deleting the language "General Assembly Merit Scholarships" and by substituting instead the language "General Assembly Merit Scholarships, Tennessee scholar supplemental awards".

SECTION 11. Tennessee Code Annotated, Section 49-4-930, is amended by adding the following language at the end of subsection (b):

A student may receive a dual enrollment grant for no more than five (5) courses. Such courses shall be taken during the junior and senior years of high school.

SECTION 12. Tennessee Code Annotated, Section 49-4-902(22), is amended by deleting the subdivision in its entirety and substituting instead the following:

(22) "Nontraditional student" means a student who is at least twenty-five (25) years of age, who has not previously been a recipient of a Tennessee HOPE scholarship and who enrolls in an eligible postsecondary institution:

(A) As an entering freshman; or

(B) At least two (2) years after last attending any eligible postsecondary institution or a regionally accredited postsecondary institution located outside of Tennessee.

SECTION 13. Tennessee Code Annotated, Section 49-4-931(a), is amended by deleting subdivision (4) in its entirety and by substituting instead the following:

(4) Attend an eligible postsecondary institution and attempt at least twelve (12) semester hours;

SECTION 14. Tennessee Code Annotated, Section 49-4-931(a), is further amended by deleting subdivision (6) and substituting instead the following:

(6) Maintain continuous enrollment at the eligible postsecondary institution attended after entering such institution as a nontraditional student; and

SECTION 15. Tennessee Code Annotated, Section 49-4-931(b), is amended by deleting the subsection in its entirety and by substituting instead the following:

(b) A nontraditional student shall be eligible for a Tennessee HOPE scholarship at the end of the semester in which the student has attempted a total of twelve (12) semester hours, if the student has a cumulative grade point average of at least 2.75. A nontraditional student who does not achieve a cumulative grade point average of at least 2.75 at the end of the semester in which the student has attempted a total of twelve (12) semester hours shall be eligible for a Tennessee HOPE scholarship, if the student achieves the required cumulative grade point average at the end of any semester in which eligibility is reviewed under § 49-4-911.

SECTION 16. Tennessee Code Annotated, Section 49-4-931, is further amended by deleting subsection (c) in its entirety and substituting instead the following sentence:

(c)

(1) To continue to receive a Tennessee HOPE Scholarship, such student shall meet the requirement of § 49-4-911, except that only semester hours attempted as a nontraditional student shall be used in determining whether a student continues to be eligible to receive the scholarship.

(2) A HOPE scholarship awarded under this section shall be subject to the provisions of § 49-4-913, except that only enrollment as a nontraditional student shall be used in determining whether a student continues to be eligible to receive the scholarship.

SECTION 17. Tennessee Code Annotated, Section 49-4-902, is amended by adding the following language as a new, appropriately designated subdivision:

() "Community college" means an eligible two-year postsecondary institution operated by the board of regents of the state university and community

college system that is denoted as a community college or a technical community college.

SECTION 18. Tennessee Code Annotated, Section 49-4-921, is amended by adding the following language as a new, appropriately designated subsection:

()

(1) A student, who is twenty-five (25) years of age or older and who is seeking a certificate in a program of study offered by a community college, shall be eligible for a Wilder-Naifeh technical skills grant, if such student meets all applicable requirements of this section.

(2) A student who, as an entering freshman, receives a Wilder-Naifeh technical skills grant under the provisions of this subsection may apply for a Tennessee HOPE scholarship as a nontraditional student within three (3) years of successfully completing a certificate program at a community college; provided, that the student meets all requirements of §49-4-931, except that two (2) years need not have passed since the student last attended an eligible postsecondary institution and the student need not be an entering freshman when applying for the Tennessee HOPE scholarship. All semester hours attempted as a student with a Wilder-Naifeh technical skills grant that may be used for credit towards an associate or baccalaureate degree shall be used in determining academic eligibility for a Tennessee HOPE scholarship. If a student has not attempted twelve (12) semester hours for credit towards an associate or baccalaureate degree as a student with a Wilder-Naifeh technical skills grant, the student shall attempt the remaining semester needed to reach twelve (12) semester hours without funding from lottery proceeds. For purposes of calculating the limit under § 49-4-913 on the number of years for receipt of a Tennessee HOPE scholarship, the date of the student's initial enrollment at a postsecondary institution shall be considered as the

date on which the student first enrolled in a postsecondary institution after completing the certificate program at a community college.

SECTION 19. Tennessee Code Annotated, Section 49-4-902, is amended by adding the following language as new, appropriately designated subdivisions:

() "Cost of attendance" means the combined cost of tuition, mandatory fees, room and board, books and other educational expenses as determined by the financial aid office of the eligible postsecondary institution;

() "Gift aid" means scholarships and grants from any source, including funds provided through the federal Foster Care Independence Act of 1999 and other similar programs. Student loans and work-study awards shall not be considered gift aid;

SECTION 20. Tennessee Code Annotated, Section 49-4-933, is amended by deleting subsection (f) in its entirety and substituting instead the following:

(f) The Tennessee HOPE foster child tuition grant shall be the cost of attendance less any gift aid, with the total HOPE foster child tuition grant amount not to exceed the cost of tuition and mandatory fees at the eligible postsecondary institution attended. Additionally, at an eligible independent postsecondary institution, the Tennessee HOPE foster child tuition grant shall not exceed the statewide average public tuition and mandatory fee rate for the type of institution (two-year or four-year) attended. The Tennessee HOPE foster child tuition grant is subject each year to the amounts appropriated by the general assembly and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery.

SECTION 21. Tennessee Code Annotated, Section 49-4-933, is further amended by deleting subsection (e) in its entirety:

SECTION 22. Sections 18 through 20 of this act that amend the provisions concerning the Tennessee foster child tuition grant are declared to be remedial in nature

and to that end shall apply to all Tennessee HOPE foster child tuition grant awards made on or after July 1, 2006.

SECTION 23. Tennessee Code Annotated, Section 49-4-914, is amended by adding the following language as a new, appropriately designated subsection:

() Notwithstanding the provisions of subsection (b) to the contrary, beginning with the 2007-2008 academic year and for academic years thereafter, the amount of a Tennessee HOPE scholarship awarded to a student attending an eligible two-year postsecondary institution who resides in on-campus housing shall be the same as the amount of a Tennessee HOPE scholarship awarded to students attending eligible four-year postsecondary institutions.

SECTION 24. Tennessee Code Annotated, Section 49-4-913, is amended by deleting section in its entirety and by substituting instead the following:

§49-4-913. Except as set forth in §§49-4-918 and 49-4-919, a student may receive a Tennessee HOPE scholarship until the first of the following events:

- (1) The student has earned a baccalaureate degree; or
- (2) The student has been enrolled at any postsecondary institution for five (5) full-time equivalent years.

SECTION 25. Tennessee Code Annotated, Section 49-4-919(a), is amended by deleting subdivisions (1), (2) and (3) in their entirety and by substituting instead the following:

- (1) The student has earned a baccalaureate degree; or
- (2) The student has been enrolled at any postsecondary institution for five (5) full-time equivalent years.

SECTION 26. Tennessee Code Annotated, Section 49-4-920(f), is amended by deleting the subsection in its entirety and by substituting instead the following:

(f) A student may receive a Tennessee HOPE scholarship after having received a Tennessee HOPE access grant until the first of the following events:

- (1) The student has earned a baccalaureate degree; or
- (2) The student has been enrolled at any postsecondary institution for five (5) full-time equivalent years.

SECTION 27. Tennessee Code Annotated, Section 49-4-930, is amended by deleting subsection (c) in its entirety and by substituting instead the following:

(c) Enrollment at an eligible postsecondary institution under a dual enrollment grant shall not count, under § 49-4-913, toward the limitation on the receipt of a Tennessee HOPE scholarship.

SECTION 28. Tennessee Code Annotated, Section 49-4-937(c), is amended by deleting the subsection in its entirety and by substituting instead the following:

(c) Enrollment at a Tennessee technology center by a student working towards a diploma before receiving a Tennessee HOPE scholarship, General Assembly Merit Scholarship, or Tennessee HOPE access grant under the provisions of this section shall not count under the provisions of § 49-4-913 or § 49-4-920 towards the limitation on receipt on a Tennessee HOPE scholarship, General Assembly Merit Scholarship, or Tennessee HOPE access grant.

SECTION 29. Tennessee Code Annotated, Section 49-4-926(c), is amended by deleting subdivision (1) in its entirety and substituting instead the following:

(1) Dependent children of members of the armed forces or Tennessee national guard whose home of record, at the date of application for financial assistance, is determined to be Tennessee; and

SECTION 30. A student may apply for the retroactive award of a Tennessee HOPE scholarship under § 49-4-926 for any semester of the 2005-2006 or the 2006-2007 academic year in which the student would have qualified for a scholarship under § 49-4-926 as amended by Section 29 of this act, had such provision been in effect during those academic years. TSAC may award the scholarship retroactively, if the student meets all applicable requirements for the scholarship.

SECTION 31. Tennessee Code Annotated, Section 49-4-936, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a) To be eligible for a Tennessee HOPE teacher's scholarship, a teacher shall:

(1) Be a licensed Tennessee teacher teaching in a Tennessee public school system or a Tennessee private school;

(2) Not be ineligible for the scholarship under § 49-4-904;

(3) Meet the requirements of § 49-4-905(a). The provisions of § 49-4-905(b) shall not apply to teachers seeking Tennessee HOPE teacher's scholarships;

(4) Be admitted to and attend an eligible postsecondary institution seeking an advanced degree in mathematics or a science, or certification to teach mathematics or a science;

(5) Maintain satisfactory progress in the teacher's program of study;

(6) Agree to teach mathematics or a science in a Tennessee public school system two (2) academic years for each year of funding provided by a Tennessee HOPE teacher's scholarship;

(7) Sign a promissory note that stipulates the cash repayment obligation incurred if the teaching service is not fulfilled. If a teacher fails to teach mathematics or a science in a Tennessee public school system for the number of years required to fulfill the teacher's obligation pursuant to the award of a Tennessee HOPE teacher's scholarship, then all funds obtained from the award of the scholarship shall be repaid; provided, however, that no repayment shall be due, if TSAC finds that it is impossible for the teacher to fulfill the obligation because of the death or permanent disability of the teacher; and

(8) Apply for a Tennessee HOPE teacher's scholarship.

SECTION 32. Tennessee Code Annotated, Section 49-4-936, is amended by inserting the following language as a new subsection (e) and by redesignating the subsequent subsection accordingly:

(e) As used in this section, unless the context otherwise requires, "private school" means a school as defined in §49-6-3001(c)(3)(A)(i) and (iii).

SECTION 33. Tennessee Code Annotated, Section 49-4-934(a), is amended by deleting subdivision (1) and by substituting instead the following:

(1) Graduate from a high school in the foreign nation where the student's parent is a religious worker and, if the high school is:

(A) Accredited by a regional accrediting association, meet the academic eligibility requirements of § 49-4-907(3); or

(B) Not accredited by a regional accrediting association, meet the academic eligibility requirements of § 49-4-908(2)(A);

SECTION 34. A student may apply for the retroactive award of a Tennessee HOPE scholarship for any semester of the 2005-2006 or 2006-2007 academic years in which the student would have qualified for a scholarship under the provisions of Section 4 of Chapter 974 of the Public Acts of 2006 as amended by Section 33 of this act, had the provisions of this act been in effect during those academic years. TSAC may award the scholarship retroactively for those academic years to any student who would have qualified for the scholarship had the provisions of this act been in effect.

SECTION 35. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§49-4-9__.

(a) To be eligible for a Tennessee HOPE community college grant as an entering freshman, a student shall:

(1) Meet all general nonacademic requirements for the Tennessee HOPE scholarship for the method by which the student completed high school; and

(2)

(A) On any single ACT test date, attain at least a 19 on the ACT mathematics test, at least a 19 on the ACT English test, and a composite ACT score of at least 19, or equivalent scores, as determined by TSAC, on the SAT on any single SAT test date;

(B) Meet the requirements of § 49-4-907(3), if the student graduated from an eligible high school; or

(C) Meet the requirements of §49-4-908(2), if the student did not graduate from an eligible high school; and

(3) Be admitted to and enroll in a community college seeking an associate degree no later than sixteen (16) months after completion of high school.

(b) To continue to receive a Tennessee HOPE community college grant, a student shall continue to meet all applicable requirements for the grant and shall reapply as required for Tennessee HOPE scholarships under §49-4-911. At the end of any semester in which academic eligibility is checked under §49-4-911, such student shall have achieved a cumulative grade point average of at least 2.75 to continue to receive a Tennessee HOPE community college grant. A student receiving a Tennessee HOPE community college grant, who ceases to be academically eligible for the grant because the student fails to achieve a cumulative grade point average of at least 2.75 at the end of any semester in which academic eligibility is checked under §49-4-911, may regain the Tennessee HOPE community college grant at the end of any semester in which the student achieves a cumulative grade point average of at least 2.75; provided, that the student continues to meet all nonacademic requirements for the grant and the student reapplies for the grant. A student who regains the grant and then losses the grant a second time, by failing to achieve a cumulative grade point average of at least 2.75 at the end of a subsequent semester in which

academic qualifications are reviewed, may not regain the grant. No retroactive award of a Tennessee HOPE community college grant shall be made under this subsection for semester hours attempted in order to regain the grant. If a student ceases to be eligible for a Tennessee HOPE community college grant at any time, for any reason other than failure to maintain the required cumulative grade point average, then the student shall not be able to regain the grant.

(c) A student who receives a Tennessee HOPE community college grant may transfer from one community college to another without loss of the grant.

(d) The provisions of §§ 49-4-912, 49-4-918, 49-4-919, and 49-4-922 shall apply to Tennessee HOPE community college grants.

(e) A student may receive a Tennessee HOPE community college grant until the first of the following events:

(1) The student has earned an associate degree; or

(2) The student has been enrolled at any community college for three (3) full-time equivalent years.

(f) Subject to the amounts appropriated by the general assembly, and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a Tennessee HOPE community college grant awarded to a student attending community college shall be two thousand dollars (\$2,000) for full-time attendance for the 2007-2008 academic year. For academic years subsequent to the 2007-2008 academic year, the amount of such scholarship shall be determined in accordance with § 4-51-111 and shall be set in the general appropriations act.

(g) A student receiving a Tennessee HOPE community college grant may receive an ASPIRE award under §49-4-915 or a Tennessee scholars supplemental award under Section 8 of this act, but not both. Notwithstanding any provision of law to the contrary, a student receiving a Tennessee HOPE community college grant and a Tennessee scholars supplemental award shall

meet the requirements of this section for the retention of the Tennessee HOPE community college grant to retain the Tennessee scholars supplemental award. A student receiving a Tennessee HOPE community college grant may not receive a General Assembly Merit Scholar supplemental award under §49-4-916. Students qualifying for a General Assembly Merit Scholar supplemental award shall not be eligible for a Tennessee HOPE community college grant.

(h)

(1) A student who receives a Tennessee HOPE community college grant and who earns an associate degree may receive a Tennessee HOPE scholarship to complete a baccalaureate degree; provided, that the student achieves a cumulative grade point average of at least 3.0 at the end of the semester in which the student completes requirements for the associate degree and the student continues to meet all applicable nonacademic requirements for the Tennessee HOPE scholarship. Notwithstanding the provisions of §49-4-919(b) to the contrary, such student shall apply for a Tennessee HOPE scholarship and be admitted to and enroll in an eligible four-year postsecondary institution within one (1) year of completing requirements for the associate degree.

(2) A student who received a Tennessee community college grant may receive a Tennessee HOPE scholarship under this subdivision until the first of the following events:

(A) The student has earned a baccalaureate degree; or

(B) The sum of the number of full-time equivalent years of the student's enrollment at a community college and at an eligible four-year postsecondary institution equals five (5) full-time equivalent years.

(i) The award of Tennessee HOPE community college grants shall commence with the fall semester, 2007. Notwithstanding any provision of law to the contrary, for academic year 2007-2008 any student who is eligible for a Tennessee HOPE scholarship, except students who are eligible for the General Assembly Merit Scholar supplemental award, and who chooses to attend a community college may elect to receive a Tennessee HOPE community college grant instead. Except for students who qualify for the General Assembly Merit Scholar supplemental award, beginning with the 2008-2009 academic year and academic years thereafter, all students who qualify for the Tennessee HOPE scholarship, including those students who qualify for the Tennessee HOPE scholarship for nontraditional students, and who elect to attend a community college shall be awarded the Tennessee HOPE community college grant.

SECTION 36. Tennessee Code Annotated, Section 49-4-921(a), is amended by deleting subdivision (3) in its entirety and by substituting instead the following:

(3) Have not, at any time, been the recipient of a Tennessee HOPE scholarship or a Tennessee HOPE community college grant.

SECTION 37. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§49-4-9__.

(a) There is hereby created within the state treasury a fund to be known as the "Tennessee student assistance fund". Moneys shall be deposited into the Tennessee student assistance fund from the lottery for education account established in §4-51-111. Amounts remaining in the fund at the end of each fiscal year shall not revert to the lottery for education account or the general fund but shall remain in the Tennessee student assistance fund. Moneys in the fund shall be invested by the state treasurer pursuant to title 9, chapter 4, part 6 for the sole benefit of the fund. All earnings attributable to such investments shall be credited to the Tennessee student assistance fund.

(b) The principal amount of the Tennessee student assistance fund shall equal two hundred million dollars (\$200,000,000). On July 1, 2007, the amount of two hundred ten million dollars (\$210,000,000) shall be transferred from the lottery for education account to the Tennessee student assistance fund.

(c) In any year in which the fund balance exceeds the principal amount, TSAC may draw on moneys in the Tennessee student assistance fund in excess of the principal amount to increase the number of Tennessee student assistance awards granted under title 49, chapter 4, part 3. All such moneys so expended shall be used to supplement, not supplant, funds for Tennessee student assistance awards to enable citizens of this state to attend postsecondary educational institutions located within this state.

(d) If the net lottery proceeds deposited into the lottery for education account in any year, inclusive of the amount in the general shortfall reserve subaccount, are not sufficient to meet the amount appropriated for educational programs and purposes, the principal amount of the Tennessee student assistance fund may be used after the general shortfall reserve subaccount has been drawn down to meet the deficiency in accordance with §4-51-111; provided, however, that the principal amount of the fund shall be used first for any shortfall in the amount appropriated to the educational financial assistance programs established in this part and then to any other educational programs and purposes otherwise provided by law for which net lottery proceeds may be expended. If it becomes necessary to draw from the principal amount of the Tennessee student assistance fund, then such programs and purposes shall be reviewed and funding reduced as provided in §4-51-111. In the event the principal amount of the Tennessee student assistance fund is drawn upon in any fiscal year, the fund shall be brought back to the principal amount of two hundred million dollars (\$200,000,000) in subsequent fiscal years by transferring ten percent (10%) of net lottery proceeds from the Tennessee education lottery corporation's quarterly

deposit to the lottery for education account to the Tennessee student assistance fund until the principal amount of the fund equals two hundred million dollars (\$200,000,000).

SECTION 38. Tennessee Code Annotated, Section 49-4-911(c), is amended by deleting the language "in which eligibility would have been reviewed under this section had the student not lost the scholarship,".

SECTION 39. Tennessee Code Annotated, Section 49-4-927, is amended by deleting the section in its entirety and by substituting instead the following;

§49-4-927.

(a) There is created a special joint committee to study the manner in which financial assistance shall be provided from net lottery proceeds of the state lottery established pursuant to article XI, § 5 of the Constitution of Tennessee to citizens of this state to enable such citizens to attend postsecondary institutions located within this state.

(b) The committee shall be composed of six (6) members of the senate and six (6) members of the house of representatives. The chairs of the education committees of the senate and the house of representatives shall serve on the committee. The speaker of the senate shall appoint the remaining senate members of the committee and the speaker of the house shall appoint the remaining house members of the committee. The members of the committee shall be appointed in such manner so that the majority party of the senate and the minority party of the senate have equal representation and the majority party of the house of representatives and the minority party of the house of representatives have equal representation.

(c) All appropriate state agencies shall provide assistance to the special joint committee upon request of the chairs. Tennessee Independent Colleges and Universities Association and the eligible independent postsecondary

institutions are urged to provide assistance voluntarily to the committee upon request of the chairs.

(d) The special joint committee shall be convened by the chair of the education committee of the senate and chair of the education committee of the house of representatives. The chairs shall serve as co-chairs of the committee.

(e) The special joint committee shall review and study the manner in which financial assistance is provided from lottery proceeds under this part to citizens of this state to enable such citizens to attend postsecondary institutions located within this state. The committee shall specifically study:

(1) Whether an early commitment program for at-risk students should be added to those programs already enacted that provide financial assistance for postsecondary attendance from net lottery proceeds;

(2) Whether programs should be enacted, expanded or modified that provide for reclamation of students by providing financial assistance for postsecondary education to students who are not entering freshmen;

(3) Whether financial assistance for postsecondary education should be provided to encourage students to enter and teach in fields that have critical shortages of teachers in Tennessee; and

(4) Whether administration of the present lottery scholarship program can be improved.

(f) The special joint committee shall timely report its findings and recommendations, including any proposed legislation, to the One Hundred Fifth General Assembly no later than February 1, 2008, at which time the committee shall cease to exist.

SECTION 40. The code commission is directed to change all references to "Tennessee HOPE scholarship", wherever they appear in Tennessee Code Annotated, to "Tennessee Cohen HOPE scholarship" and all references to "HOPE scholarship", wherever they appear in Tennessee Code Annotated, to "Cohen HOPE scholarship".

SECTION 41. Tennessee Code Annotated, Section 49-4-903(a), is amended by inserting the language ", for development of application forms for use by students applying for scholarships and grants," after the words "determination of eligibility of students".

SECTION 42. Tennessee Code Annotated, Section 49-4-906, is amended by adding the following sentence at the end of the section:

Students, other than those applying for an ASPIRE award under § 49-4-915, those applying for a Tennessee HOPE access grant under § 49-4-920 and those applying for a Tennessee HOPE scholarship for nontraditional students under § 49-4-931, shall not be required to file a FAFSA or to provide any financial information to TSAC.

SECTION 43. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 44. Sections 24 through 28 and Sections 31 and 32 of this act shall take effect July 1, 2007, the public welfare requiring it. Sections 4 through 18, Section 23 and Section 35 shall take effect upon becoming a law, the public welfare requiring it, and shall apply to students seeking postsecondary financial assistance from net lottery proceeds for the 2007-2008 academic year and academic years thereafter. All remaining sections of this act shall take effect upon becoming a law, the public welfare requiring it.